



STATE OF INDIANA

COMMISSION ON PROPRIETARY EDUCATION

Jeff Weber, Commissioner

302 West Washington Street
Room E201
Indianapolis, IN 46204-2767
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MEMORANDUM

TO: All School Administrators

FROM: REBECCA L. CARTER
Director of Regulatory Compliance

SUBJECT: Bonding and Agent Licensure

One of the most persistent and wasteful causes of paper shuffling between the commission and institutions is involved with bonding and agent licensure. Problems occurring in this area can be alleviated through careful application by the institution.

The following steps will detail all necessary information to be included in submitting new bonds and agent applications:

1. Institutional Surety Bonds must include the bond number, the name of the institution as it will be known, and be made payable to the State of Indiana. Bonds made payable to the commission are not acceptable.

The amount of the bond must be calculated according to the following bonding formula as stated in Indiana code 20-12-76-18.

“ . . . (1) All postsecondary proprietary educational institutions that have no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of five thousand dollars (\$5,000).

(2) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year do not total more than five thousand dollars (\$5,000), the institution shall secure a surety bond in the amount of one hundred percent (100%) of that institution's annual gross tuition charges assessed for the previous year.

(3) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are greater than five thousand dollars (\$5,000) but are not more than fifty thousand dollars (\$50,000), the institution shall secure a surety bond in the amount of five thousand dollars (\$5,000).

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(4) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are greater than fifty thousand dollars (\$50,000) but are not more than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of ten percent (10%) of that institution's annual gross tuition charges assessed for the previous year.

(5) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are greater than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of fifty thousand dollars (\$50,000). The institutional surety bond must be renewed each year. Continuation certificates are not acceptable. The effective dates for bond coverage must be for exactly one year . . ."

Each bond must contain the name of the institution on the line designated by "Principal" and signed by an authorized official of the institution on the line designated "Chief Administrative Officer". It must also contain the name of the surety company on the line designate "Surety", be signed by the Attorney-in-Fact, and sealed with the insurance company seal. All bonds must be executed on the forms designated by the commission. Bonds submitted to the commission must be the original document. No photocopy will be accepted.

2. Agent Application Forms must be submitted by new agents and annually thereafter for agents who are renewing their permits. A new agent's application must be accompanied by an Agent's Training Verification form completed by the institution. All Applications and Training Verifications must be executed on the forms designated by the Commission, submitted on the original, and properly signed and notarized. A proper notary statement will include the date, the signature of the Notary Public, the Notary's seal, and the expiration date of the Notary's commission.
3. The Chief Administrative Officer of each accredited institution is granted, at no charge, an agent's permit upon request. No agent application is required for the person who serves as an institution's chief administrative officer.

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4. Fees: All fees must be made payable to the State of Indiana. No cash will be accepted. The commission's fee schedule is:

Institutional Application Fee	\$ 200.00
Application for Agent's Permit	\$ 80.00
Fully Accredited Certificate Fee	\$ 50.00
Application for Accreditation Renewal	\$ 100.00
Application for Agent's Renewal	\$ 50.00
Degree Application	\$ 100.00
Degree Renewal	\$ 100.00

IMPORTANT

If you are in doubt of the proper procedures for bonding or agent licensure, call Mrs. Dinell Edge, Director of Institutional Licensing; or Mrs. Rebecca Carter, Director of Regulatory Compliance, for assistance. Please remember that late institutional bonds require suspension of an institution's accreditation. Late agent renewal applications require the revocation of the agent's permit. An agent has no legal authority to solicit enrollments until the permit has been received from this commission.

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